

COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG



ARIZONA CORPORATION COMMISSION

Brian McNeil
Executive Director

Direct Line: (602)542-3935
Fax: (602)542-0752
E-Mail wmundell@azcc.gov

October 11, 2006

Mr. Usama Abujbarah, Manager
Town of Cave Creek
37622 North Cave Creek Road
Cave Creek, AZ 85331

Re: Desert Hills Water Company to Comply with Commission Rules and Regulations
Docket No. W-02124A-06-0379

Dear Mr. Abujbarah:

Chairman Hatch-Miller has asked that the Order to Show Cause ("OSC") for Desert Hills Water Company not be placed on the agenda for the Commission's October 17-18, 2006 Open Meeting. He would like to hear this matter in conjunction with the Town of Cave Creek's application pursuant to A.R.S. § 40-285 for Commission approval to transfer the utility assets from Desert Hills Water Company to the Town.

I agree with the Chairman that these two matters should be heard together. Circumstances surrounding the ownership and control of the utility have changed recently to merit deferring the OSC. In the spirit of cooperation, I am willing to postpone the OSC until it can be heard in conjunction with the Town's application; in view of that, I ask when the Town intends to file said application.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "William A. Mundell".

William A. Mundell, Commissioner
Arizona Corporation Commission

cc: Chairman Hatch-Miller
Commissioner Gleason
Commissioner Mayes
Commissioner Wong
Brian McNeil
Ernest Johnson
Chris Kempley
Lyn Farmer
Heather Murphy